United Nations DP/2008/7

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
16 November 2007

Original: English

First regular session 2008
21 to 28 January 2008, New York
Item 4 of the provisional agenda
Evaluation

Management response to the evaluation of results-based management in UNDP

1. Many of the issues raised in this evaluation confirm certain persistent limitations with respect to the implementation of result-based management that UNDP is committed to working to address. While the evaluation findings may overestimate what can be measured and what can be attributed to UNDP as one of many actors operating in the public domain, they nevertheless provide UNDP with a number of useful inputs for organizational learning. These findings, conclusions and recommendations provide an incentive for UNDP in responding to the many challenges of results-based management in a multilateral development organization and, in particular, in establishing a culture to manage for results rather than merely report on results.

2. UNDP takes note of the observation that a key element of its results-based management approach has been the adoption of multi-year funding frameworks (MYFFs) to focus the programme and improve communication with external stakeholders. We agree with the finding that the "alignment of country office programmes with strategic goals was further promoted by a shift of focus from project outputs to outcomes".

3. It is important to bear in mind that the primary objectives during the initial phase of implementing results-based management in UNDP were relatively modest: (a) to respond to donor demand for greater programmatic focus and alignment, and (b) to begin to shift the attention of country office managers from input management to the management of outputs, and, ultimately, to how these outputs contribute — along with those of partners — to higher-level results.

4. By all accounts, outcome measurement is not an easy undertaking and, as the evaluation report notes, several of the organizations that have embarked on managing for results are facing the same issues as UNDP. It is clear from the evaluation and from the experience of UNDP that the key challenges moving forward will be to strengthen a broad-based culture of results and to improve internal UNDP capacities to manage for results throughout the organization.

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5. While it is certainly true that the focus within the MYFFs has evolved gradually, and that, as a result, a number of development activities that were clearly "outliers" with respect to those frameworks have been eliminated, the evaluation provides insufficient evidence for the conclusion that "underlying areas of work have remained almost the same as before" during the period since the introduction of the first MYFF in 2000. The increase in focus engendered by the experience with the MYFF is most clearly reflected in the adoption by the organization of the MYFF practice architecture (in line with the MYFF priorities) and related investments across the organization in new staff and skills development to deliver on those shifting priorities.

6. Additional evidence of the increase in strategic focus is provided by the significant increase in size of the democratic governance and crisis prevention and recovery portfolios of UNDP (rising to 46 per cent and 13 per cent of total resources, respectively, from 2004 to 2006).

7. This is not to say that more cannot be done to sharpen this focus. The strategic plan outlines the steps UNDP will take to promote further focusing of its contribution over the coming period, most importantly by ensuring that all UNDP programmes contribute to the development of national capacities, including national planning, monitoring and evaluation systems.

8. UNDP agrees with the finding that the results-oriented annual report has become primarily an upward reporting tool, with less utility for the country office or the regional bureau. The existing results-based management system — including the MYFF — has indeed emphasized regular reporting on results over long-term performance management. UNDP acknowledges that the annual MYFF report to the Executive Board has been "too vague" in demonstrating the UNDP contribution to development goals and improvements in human development indicators.

9. Starting with latest cumulative report on the second MYFF, UNDP has improved the quality of its corporate results reporting through a more systematic use of client-based surveys such as the Global Staff Survey, the headquarters products and services survey and the partners survey, and, moving forward, to align them more closely with the strategic plan results frameworks. This, together with increasing and more systematic use of evaluative evidence (including assessments of development results, outcome evaluations and United Nations Development Assistance Framework evaluations) will facilitate the independent validation of the institutional and development results and improve the quality of reports on the implementation of the strategic plan. Evaluation for accountability purposes is a priority and, accordingly, UNDP is proposing a significant increase in resources for the evaluation function.

10. One of the key management priorities described in the UNDP strategic plan is to strengthen the "culture for results" by enhancing the results-based management system to support the day-to-day management work of country and regional-level managers with better tools, guidance and training for planning and monitoring for results, with particular emphasis on outcome monitoring, using evaluative data and other independent sources of validation.

11. With respect to current systems, it is true that the main focus of the Atlas system is financial management and, increasingly, project monitoring. However, the introduction of internal results management tools such as the "balanced scorecard"

and the Results and Competency Assessment (RCA) belies the assertion that "apart from the results-oriented annual report, no specific tools were developed to help monitor results". UNDP agrees, however, that the individual performance assessment tool is not yet sufficiently results-oriented. One of the goals of the current effort to revise the RCA tool is to link it to results management by connecting directly with unit level workplans.

12. UNDP agrees with the evaluation finding that UNDP has seen a decline in "project-level monitoring and evaluation capacity in some country offices" and the "creation of diverse monitoring and evaluation approaches in others, especially where the country office has a dedicated staff member". UNDP is committed to enhancing country office capacities, learning from the many instructive country-level experiences and ensuring a higher standard of results monitoring and evaluation across regions, with a focus on the creation, strengthening and use of national systems.

13. Systems and tools are necessary but not sufficient to strengthen a culture of results or improve programmatic focus. Ultimately, efforts at both the regional and country levels must focus not just on tools, systems, and training but on the long-term process of strengthening a culture of accountability for results throughout the organization. UNDP agrees that the capacity of the Regional Bureaux to undertake oversight of development results and to engage in dialogue on programmatic focus needs to be strengthened, and that resources and incentives are needed to help managers to do this.

14. UNDP agrees that a primary focus should be on outcome monitoring, including: (a) developing the skills to analyse the outputs generated by UNDP programmes so as to articulate clearly how those outputs contribute to nationally owned outcomes; and (b) providing the necessary incentives for managers to undertake and report simply but effectively on the analysis. In addition, as UNDP pursues further regionalization, practice teams led by the Bureau for Development Policy (BDP) and the Bureau for Crisis Prevention and Recovery (BCPR) and composed of global and regional programme staff will provide substantive guidance and oversight with respect to the substantive aspects of the development of programming.

15. UNDP does not agree that "bureaux have not been considered accountable for the development effectiveness of country operations in their region", or that the "main entry point for the region is the country programme document approval process, which occurs every four years". Those statements appear to ignore the many ways in which regional bureaux exercise an oversight function with respect to development effectiveness, including the target-setting and reporting that takes place in connection with the results-oriented annual report; oversight missions; joint analysis and assessment activities with other bureaux; regional programme support missions; and peer review through the UNDP knowledge networks, not to mention the often intense discussions surrounding policy and advocacy documents such as national and regional human development reports. Those are just a few of the ways in which regional bureaux exercise their substantive oversight function. In strengthening the role of the regional bureaux in results oversight, UNDP will seek to establish a more systematic approach across the bureaux, based on the best of these ongoing practices.

16. The following statements, (a) "Interviews with the Regional Bureau for Latin America and the Caribbean and the Argentina programme found little direction or oversight from the Bureau"; and (b) "Interaction was more likely to be around operational issues, and good performance was traditionally seen as resource mobilization and delivery", do not describe a situation familiar to UNDP management, which routinely engages Argentina and other country offices in a range of activities, including those described in the previous paragraph but also including regular reviews using a performance index that considers aspects as diverse as programmatic focus, participation in knowledge networks, audit response, gender balance and other issues.

17. A strengthened practice architecture provides additional opportunity for addressing a number of issues raised in the evaluation, including: (a) substantive focus and oversight; (b) quality assurance and knowledge management; (c) advisory services that support programme development and country office capacities; and (d) products and tools for programme design and implementation that reflect country-level lessons learned and experiences in achieving nationally owned outcomes. Moreover, through a number of functions such as community building, work planning and partnership development, the practice architecture serves as a means of promoting alignment between corporate goals and global, regional and country-level programming. The evaluation reinforces the importance of strengthening the practice architecture, steps towards which are being undertaken by BDP, BCPR and the regional bureaux.

18. Given that the inclusion of outcomes and indicators in strategic planning frameworks is now common practice for the United Nations Development Group, in addition to being required by a number of donors to UNDP, it would be difficult for UNDP to implement the evaluation report recommendation that such practices "should cease". UNDP efforts in this regard — undertaken in close consultation with other United Nations organizations — respond in part to the recommendation made by Management Systems International in its results-based management evaluation of 2006, to the effect that "a performance monitoring plan with performance indicators, definitions, units of measure, and specified data collection methodologies has not been developed to measure MYFF goals, service lines or core results". Country offices should indeed define outcomes at the country level, in line with national priorities as identified in the UNDAF. The purpose of the strategic plan and its results framework is not to prevent this, but rather to provide clear "boundary rules" for nationally owned outcomes and to map them to corporate outcomes and goals.

19. The evaluation sees the longstanding practice of mapping by country offices of expected results from ongoing country programmes to each new revised MYFF- or strategic plan-related corporate framework as evidence of a weak results-based management culture. Yet if we understand the development process as being demand-driven — that is, a process of locally-set results understood within a flexible and broader corporate framework — and if we accept the fact that corporate and local time frames are often going to differ, this kind of mapping exercise is to be expected. Country programme "expected results" are certainly driven by national priorities. Nevertheless, corporate priorities are reflected in the menu of options provided to national counterparts during the preparation of UNDAFs, country programmes, and individual projects.

20. Finally, the evaluation somewhat misrepresents the role of resource mobilization in assessing UNDP performance. Resource mobilization comes about as a result of programmatic achievement and is not a replacement for it. It serves as a success indicator with respect to the ability of UNDP to create and strengthen strategic partnerships at the national, regional and global levels. UNDP does not mobilize resources in a vacuum — it does so based on the credibility that comes from producing development results.

21. Nevertheless, UNDP recognizes that in some cases it has mobilized resources without having invested in sufficient capacity to implement these resources; and that in other cases resources have been mobilized for activities that fall outside its main areas of focus. In response, UNDP has proposed in its strategic plan that it will not normally engage in: (a) specialized sectoral activity; (b) small-scale projects without country-wide impact; (c) infrastructure with no capacity-building; or (d) stand-alone procurement of goods and services, unless specifically requested to do so within the context of overall United Nations support for the Millennium Development Goals.

22. The annex on the following pages outlines the main conclusions and recommendations of the report and the UNDP response, including steps that the organization is taking to address the issues raised by the evaluation.

Annex

Key recommendations and management response

Evaluation recommendation or issue 1. ***Conclusion 1:*** UNDP has a weak culture of results.				
Management response: UNDP agrees that there is a need to strengthen the underlying culture of results beneath the myriad tools and systems that have evolved over the years in response to its long-standing corporate commitment to results-based management. The UNDP strategic plan, 2008-2011, represents an important step towards strengthening the culture of results within UNDP. UNDP is committing itself, at the highest level, to monitoring and reporting its achievements using corporate-level indicators and targets. UNDP is enhancing the coverage of its assessments of development results and aligning their timing with that of the programming cycle, so that these independent assessments, together with outcome evaluations and, increasingly, UNDAF evaluations, can serve to strengthen accountability for results and organizational learning as well as to provide independent verification to complement the internal oversight of UNDP development activities. Finally, during 2008, through the collective efforts of many units, internal capacities for managing for results and for planning, monitoring and evaluation, and reporting on outcomes, along with internal oversight, will be strengthened, with an emphasis on using and building national planning, monitoring and evaluation systems. It should be noted that the evaluation report provides no evidence for its assertion that UNDP has a "culture supporting a low level of risk-taking". Risks need to be managed, and UNDP has introduced enterprise risk management to make that possible.				
Key actions	**Time frame**	**Responsible units**	**Tracking***	
			Comments	**Status**
1.1 Revise strategic plan, 2008-2011, and institutional results frameworks and submit them to the Executive Board.	By June 2008.	Operations Support Group (OSG), BRSP		
1.2 Align the assessment of development results with the strategic plan and country programming cycles; enhance coverage.	By June 2008.	Executive Office		
1.3 Provide regional workshops and dedicated support to improving management for results — focused on assessing the improvement in UNDP and national capacities for planning, monitoring and evaluation, reporting and oversight, through face-to-face and online learning	By end 2008	Regional bureaux, BDP, OSG, Bureau of Management (BOM), Executive Office		
1.4 Further mainstream risk management in UNDP, including incorporation of risk management into unit workplans and implementation of a corporate mechanism for "scaling up" risks from the project level to the unit level and from the unit level to the corporate level.	By end 2008	OSG, BOM/Office of Planning and Budgeting (OPB), regional bureaux		

Evaluation recommendation or issue 2. ***Conclusion 2:*** The "corporatist" approach has had limited effect on development results.

Management response: UNDP does not fully accept the assertion that "... for UNDP as a whole there are no sustainable human development objectives with substantive measurable indicators. Hence there are no clear ways to demonstrate how country projects contribute to the goals of sustainable human development". UNDP country offices have piloted a wide variety of approaches to linking project results to substantive, measurable development indicators. These pilots have served as "best practices" within the context of the broader results-based management initiative that seeks to develop a more standard approach at the country and regional levels. At the corporate level, the strategic plan development results framework represents the latest effort to link country-level results to the global goal of sustainable human development. UNDP is committed to a more systematic investment in building capacities to monitor, evaluate and report on these contributions and believes that the strengthening of capacities to manage for results should be done from the ground up, involving national counterparts and national systems wherever possible. UNDP agrees with the statement that "the corporate service lines set by headquarters have proved too numerous ..." In the strategic plan, the 30 service lines of the second MYFF have been reduced to 13 key results areas, developed through a consultative process with country offices. Annual reporting under the strategic plan will include qualitative aspects of UNDP work and, through the use of indicators, will demonstrate linkages between country level work and global goals. It should be noted that when mapping country programme outcomes to the global strategic plan framework, country offices, in collaboration with national stakeholders, are free to choose amongst those corporate outcomes that reflect local demand and priorities, and will determine additional relevant indicators in line with national contexts and priorities as reflected in the country programme documents and country programme action plans.

Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
2.1. Replace MYFF service lines with a reduced number of "key results areas".	By June 2008	OSG, BDP, BCPR, regional bureaux		
2.2 Develop guidelines for monitoring and reporting on the strategic plan development results framework at country, regional and corporate levels.	By June 2008	BDP, BCPR, OSG, regional bureaux		

Evaluation recommendation or issue 3. ***Conclusion 3:*** Results-based management has been misinterpreted as not supporting the decentralized way in which UNDP works.

Management response: The statement that "...country programmes are not scrutinized for development potential by either regional management or the Executive Board, an abdication of responsibility" is inaccurate. As prescribed in the UNDP "User Guide", all country programmes are reviewed by the relevant regional bureau for compliance with UNDP policies, including those related to effective results planning. The country programme clearance process obliges the regional bureau to review the results and resources framework — an annex to the Country Programme — to ensure that it contains "clear outputs and SMART indicators", and to attach the signed minutes of the relevant regional bureau programme review committee meeting to the country programme submission. The Evaluation Office also reviews country programmes from the perspective of "evaluability". Through the practice architecture, substantive guidance and direction is provided at the outset of programme development through advisory services and knowledge products, and further alignment of goals is achieved through practice leadership and coordination.

Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
3.1 Revise the results management section of the User Guide to provide clearer corporate standards for setting realistic outcomes, selecting indicators that demonstrate progress towards development outcomes and monitoring progress.	1st quarter 2008	OSG		
3.2 Refine and implement the practice architecture advisory, programme support and leadership and coordination functions.	2008-2009	BDP, BCPR, regional bureaux		

Evaluation recommendation or issue 4. ***Conclusion 4:*** Systems are not helping build a results culture.

Management response: UNDP agrees with the finding that "systems have become overly complex and time-consuming". One of the key management initiatives of the strategic plan is to strengthen the performance measurement system of UNDP by simplifying and integrating results-based management tools and processes. The enhanced initiative is creating an integrated results-based management platform in close consultation with the primary users, i.e., country office and regional bureau managers responsible for managing and overseeing development programmes. The initiative seeks to simplify the planning, monitoring and evaluation, and reporting cycle for both country offices and headquarters units and to integrate all key corporate tools for and sources of information on development, United Nations coordination and management results into one online platform that can be customized to suit the specific needs of the user. With less time spent on complex and time-consuming systems, managers can focus on substantive issues — backed by training and support.

Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
4.1 Implement the enhanced results-based management project to integrate, improve and simplify tools and systems.	First phase (first version of platform including user data entry module designed and in use by January 2008)	OSG, regional bureaux, BOM/Centre for Business Solutions, BOM/Office of Information Systems and Technology, BOM/OPB, BDP, BCPR		

Evaluation recommendation or issue 5. ***Recommendation 1:*** Leadership and direction

Management response: UNDP recognizes the need for strong, consistent messages from UNDP leadership on accountability for results, together with enhanced systems to track, measure and report managers' success in managing for results, including staff incentives and clearer linkages between results achievements and career advancement. Capacity development has been and will continue to be a primary focus of senior management's efforts to strengthen a culture of results-based management (since enhancing national capacities is the "overarching contribution" of all UNDP work). A number of strategic plan and related management initiatives have been designed to underpin these senior management efforts, including the accountability framework, training and tools for managing for capacity development results, the enhancement of the evaluation function and the revision of the RCA format and process to link individual performance assessment more closely to unit workplans. The relevant key action related to the RCA is described under key action 9.1, below. When using the term "managing for outcomes", it is important to make the distinction between (a) assuming responsibility for generating and reporting on outcomes, which is the responsibility of national counterparts; and (b) improving the internal capacity of UNDP to monitor and report on how the outputs we generate have contributed to development outcomes. It should be stressed that it remains equally important to monitor results at the project level, due to the fact that this is the level of results that UNDP controls and is accountable for. In addition strong project monitoring will improve the assessment of results contributing to higher level outcomes. The relevant key action for enhancing internal capacities for results management is described above under key action 1.3.

Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
5.1 Senior management to plan, oversee and report on the implementation of the strategic plan in a manner that prioritizes the strengthening of internal capacity to manage for results.	2008-2011	Executive Office		

Evaluation recommendation or issue 6. Recommendation 2: Global goals — local solutions. Sharpen the role of the strategic plan results framework

Management response: The recommendation for inclusion in the strategic plan of "indicators of substantive development change comparable to those used for the MDGs" was addressed during a previous revision of the strategic plan development results framework. The evaluation assumes that the setting of corporate outcomes and indicators is incompatible with the setting of locally determined UNDAF and country programme outcomes, which does not match with the experience of UNDP. Country offices will continue to map their own outcomes to corporate outcomes, similar to the current approach to "core results" in the MYFF. In doing so, they will select from the full menu of corporate outcomes only those that respond to national demands and priorities as reflected in their country programmes.

Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
6.1 Monitor and report on the implementation of the strategic plan development results framework, with reference to corporate outcome indicators and targets.	June 2010	OSG, BDP, BCPR, Partnerships Bureau, BOM, regional bureaux, Executive Office		

Evaluation recommendation or issue 7. ***Recommendation 3:*** Support managing for outcomes at country offices				
Management response: UNDP will invest in improving these capacities within the country office. Workshops and other learning opportunities will provide "practical tools and guidelines for country offices to plan how projects will contribute to programme outcomes and to improve the specification of indicators". UNDP agrees with the recommendation that BDP "develop documented intervention models of good practice". As an integral aspect of its knowledge management function and through its alignment process, BDP will continue to refine its products and services in this area. Its effectiveness in doing so will be captured in the results based budgeting framework and, more specifically, in the headquarters "Survey of Products and Services". The recommendation for an ex ante "quality assurance process" requires careful consideration, to avoid its becoming a purely bureaucratic process and to ensure complementarity with current country programme and TRAC-2 review processes and post facto assurance such as evaluation and audit. This should be done with the context of the current preparation of a corporate oversight policy.				
Key actions	**Time frame**	**Responsible units**	**Tracking***	
			Comments	**Status**
7.1 See key actions 1.3 and 4.1.				
7.2 Implement knowledge management products and services strategy in alignment with the strategic plan.	2008-2009	BDP		
7.3 Prepare and obtain approval of the corporate oversight policy.	January 2008	Evaluation Office, Executive Office, OSG, BOM, Office of Audit and Performance Review (OAPR)'		
Evaluation recommendation or issue 8. ***Recommendation 4:*** Expand investment and use of evaluation and performance audit.				
Management response: UNDP is requesting a significant increase in funding for evaluation in its 2008-2009 biennial budget, in particular to increase the coverage and enhance the use of assessments for development results. UNDP is also updating its approach to the verification of development results in its audit guidelines.				
Key actions	**Time frame**	**Responsible units**	**Tracking***	
			Comments	**Status**
8.1 See key action 1.2.				
8.2 Revise of audit guidelines dealing with the verification of development results.	2008	OAPR		

Evaluation recommendation or issue 9. ***Issue:*** Enhance RCA as a tool for accountability for results.				
Management response: UNDP agrees on the need to strengthen the linkage between the RCA and development outcomes (and also to management and coordination results). UNDP is revising the RCA, in part to connect it more explicitly to the unit-level work planning and assessment process.				
Key actions	**Time frame**	**Responsible units**	**Tracking***	
			Comments	**Status**
9.1 Revise the RCA for individual performance planning and assessment to strengthen linkages with unit workplan results.	To roll out in 2009	OHR		

*Status of implementation is tracked electronically in the Evaluation Resource Center (http://erc.undp.org).